

## Message Text

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ORIGIN EB-08

INFO OCT-01 ARA-06 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00  
FMC-01 INR-07 NSAE-00 SAL-01 CG-00 DLOS-06 OES-06 L-03  
TRSE-00 ITC-01 /040 R

DRAFTED BY EB/TCA/MA:JAPURNELL:BST  
APPROVED BY EB/TCA/MA:RKBANK  
FMC:RHULL (PHONE)  
ARA/CEN:MWEISSMAN  
ARA/ECP:DTAHER

-----102106Z 112398 /73

P 101928Z MAR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY GUATEMALA PRIORITY

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E.O. 11652: N/A

TAGS: EWWT, GT

SUBJECT: DECREE 41/71

1. PERALTA OF FLOMERCA, CORONADO OF ARMAGUA, AND RIEDEL  
OF LINEAS MARITIMAS DE GUATEMALA MET IN DEPARTMENT ON  
MARCH 8 WITH SENIOR OFFICIALS OF FMC AND DEPARTMENT OFFICERS  
TO DISCUSS DECREE 41/71 AND POSSIBLE COUNTERVAILING  
ACTION BY FMC.

2. FOLLOWING POINTS EMERGED FROM DISCUSSION:

-- FMC CAN WAIT NO LONGER THAN ONE MONTH FOR GUATEMALANS  
TO RELIEVE DISCRIMINATION IN U.S./GUATEMALA OCEAN COMMERCE;

-- FMC RECOGNIZES THAT GUATEMALAN-FLAG LINES REQUIRE  
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SOME DEGREE OF CARGO PREFERENCE IN ORDER TO PROSPER, AND  
CAN QUOTE STRETCH UNQUOTE ITS LEGISLATED MANDATE TO  
COUNTER DISCRIMINATION TO THE EXTENT OF ALLOUING THE  
GUATEMALANS TO RESERVE 20 PERCENT OF THE TRAFFIC -- BY  
TONNAGE AND FREIGHT CHARGES--IN ANY GIVEN TRADE ROUTE;

-- HOWEVER, GUATEMALA COULD NOT RESERVE 20 PERCENT OF ITS

TOTAL U.S. TRADE IN THE U.S.-GULF/GUATEMALA TRADE WHERE  
GUATEMALAN-FLAG LINES CONCENTRATE THEIR SERVICE.

3. FMC POINTED OUT THAT GUATEMALAN-FLAG LINES MIGHT  
CAPTURE A LARGE PART OF THE REMAINING 80 PERCENT OF THE  
TRAFFIC. FOR EXAMPLE, MANY U.S. EXPORTERS CURRENTLY SELL  
TO GUATEMALAN FIRMS ON A CIF BASIS. THE GOVERNMENT OF  
GUATEMALA COULD TRY TO PERSUADE GUATEMALAN IMPORTERS  
TO REQUEST FOB SHIPMENTS, THUS LEAVING U.S. EXPORTERS OR  
GUATEMALAN IMPORTERS FREE TO CHOOSE GUATEMALAN-FLAG SHIPS  
AND INSURANCE. (FMC STRESSES THAT THIS DOES NOT MEAN IT  
COULD ACCEPT QUOTE PRESSURE UNQUOTE BY GOG ON GUATEMALAN  
IMPORTERS TO CHOOSE GUATEMALAN-FLAG LINES.)

4. GUATEMALANS WERE RELIEVED TO LEARN THAT FMC WOULD NOT  
INTERFERE IF GOG DENIED THIRD-FLAG VESSELS ACCESS TO  
GUATEMALAN WAYPORTS, IF THOSE VESSELS' COUNTRIES OF  
REGISTRY DENY ACCESS BY GUATEMALAN-FLAG VESSELS TO THEIR  
WAYPORTS. (GUATEMALANS HAD POINTED OUT THAT COLOMBIA  
DOES NOT ALLOW THEIR VESSELS TO CARRY COFFEE FROM  
COLOMBIA TO U.S., THEREFORE COLOMBIAN VESSELS SHOULD NOT  
BE ALLOWED TO ENGAGE IN THE GUATEMALA/U.S. TRADE ON THEIR  
WAY TO OR FROM THE U.S.)

5. ACTION REQUESTED: FMC HAS ALREADY INFORMED GUATEMALANS  
THAT THEY MUST NOT WAIT UNTIL END OF 30-DAY PERIOD TO  
TABLE A PROPOSAL. EMBASSY SHOULD INFORM GOG AT  
APPROPRIATELY HIGH LEVEL THAT FMC MUST KNOW BY MARCH 18  
IF GUATEMALANS HAVE ACCEPTED IN PRINCIPLE A CARGO  
PREFERENCE REGIME AS OUTLINED PARA 2. FURTHERMORE, REGIME  
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MUST ACTUALLY BE IMPLEMENTED 30 DAYS FROM MARCH 8.  
IF EITHER DEADLINE IS NOT MET, FMC STRONGLY INCLINED  
TO PUBLISH A PROPOSED RULE ON COUNTERVAILING DUTIES WITHOUT  
FURTHER DELAY.  
VANCE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MARITIME LAW, TRADE AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 10-Mar-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE053381  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** JAPURNELL:BST  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770083-0311  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
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**Legacy Key:** link1977/newtext/t19770372/aaaaclob.tel  
**Line Count:** 102  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** b5ef3dba-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 24-Mar-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3147352  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DECREE 41/71  
**TAGS:** EWWT, ETRD, GT, US  
**To:** GUATEMALA  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/b5ef3dba-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009